

## MINUTES OF MEETING HELD OCTOBER 31, 2012

### THE MEMBERS OF THE BOARD OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A meeting of the Members of the Board of Directors of the above-captioned Corporation was held on October 31, 2012, pursuant to the Notice of Meeting dated October 19, 2012, at 11:00 a.m., in the Committee Room.

The meeting was called to order by Harold G. Taylor, Chairman of the Warren County Local Development Corporation, at 11:00 a.m.

The following Directors were present:

Harold Taylor	Evelyn Wood
Peter McDevitt	Dennis Dickinson
William Mason	

Others Present:

Victoria Pratt-Gerbino, CEO, Warren County Local Development Corporation  
Jennifer Switzer, CFO, Warren County Local Development Corporation  
Martin D. Auffredou, Warren County Attorney  
Frank Thomas, Supervisor  
Wanda Smith, Confidential Secretary to the County Administrator  
Melissa Lescault, Esq., McPhillips, Fitzgerald & Cullum, LLP  
Jamie Munks, *The Post Star*

Chairman Taylor called the meeting to order. He asked for a motion to approve the minutes of the August 28, 2012 and September 18, 2012 meetings. Motion made by Director Wood and seconded by Director Mason. Motion carried unanimously.

Chairman Taylor continued with the agenda regarding the loan portfolio review. Vicki Gerbino advised an Executive Session was necessary to discuss some of the loans. Martin Auffredou suggested continuing with the financials before going into Executive Session.

Chairman Taylor continued with the agenda regarding the financials. Ms. Switzer discussed briefly, noting that there was little activity. She did state that an adjustment was made to the current liabilities for a grant that was closed out, which increased the fund balance. She further stated there was almost \$700,000 available to loan to businesses. Ms. Switzer did mention that an adjustment was made to bad debt. She warned that there was a possibility that bad debt could be over budget in 2012. Motion was made by Director Dickinson to approve the Financial Reports for September 30, 2012, and seconded by Director McDevitt. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the Financial Reports for September 30, 2012.

Chairman Taylor stated it was time to go into Executive Session. Mr. Auffredou asked the Board to consider going into executive session for the purposes of 1) discussing the credit history or performance of particular unnamed individuals or entities; 2) hearing specific attorney-client privileged matters from Melissa Lescault, Special Counsel; and 3) discussing pending litigation matters, including Stonecast, Rosy Blues, Barking Spider and other specific, but unmentioned at this time attorney-client privileged matters. Motion was made by Director Wood, seconded by Director McDevitt and carried unanimously that executive session be declared.

Executive session was declared at 11:13 a.m. to 12:35 p.m.

Committee reconvened and Chairman Taylor stated action was needed to be taken and asked Mr. Auffredou to draft the motions. Mr. Auffredou advised no action was taken in Executive Session. He further stated that a motion was needed to amend the Loan Application Guidelines and Procedures to include a requirement that a loan applicant be responsible for obtaining and paying for a title search and title insurance in favor of the LDC in connection with any loan. Motion was made by Director Mason, and seconded by Director Dickinson. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves amending the Loan Application Guidelines and Procedures to include a requirement that a loan applicant be responsible for obtaining and paying for a title search and title insurance in favor of the LDC in connection with any loan.

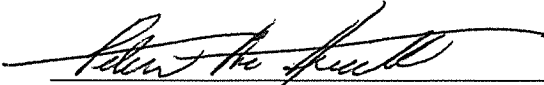
Mr. Auffredou stated that the next motion was to authorize the County Attorney to commence a collection litigation proceeding against Tree Paad, LLC and any personal guarantors of the current debt owed to LDC as determined by the County Attorney. Motion was made by Director Dickinson, and seconded by Director Mason. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby authorizes the County Attorney to commence a collection litigation proceeding against Tree Paad, LLC and any personal guarantors of the current debt owed to the LDC, as determined by the County Attorney.

As there was no further business to come before the LDC Board, motion was made by Director McDevitt to adjourn the meeting, seconded by Director Wood, and carried unanimously.

Chairman Taylor adjourned the meeting at 12:38 p.m.

Dated: Dec. 4, 2012

  
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Peter McDevitt, Secretary